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District of Arizona
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PRESS RELEASE

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FILIBERTOS OWNERS SENTENCED TO PRISON FOR TAX FRAUD AND ILLEGAL EMPLOYMENT PRACTICES

PHOENIX, ARIZONA -- José de Jesus Rivera, United States Attorney for the District of Arizona, announces that **FILIBERTO TENORIO-QUINTERO, AURELIO TENORIO-QUINTERO, FRANCISCO TENORIO-QUINTERO, and REYNALDO TENORIO-QUINTERO**, owners of Filiberto's Restaurants, were sentenced late yesterday afternoon, in federal district court. The four brothers each pleaded guilty to one count of Conspiracy to Engage in a Pattern and Practice of Hiring Unauthorized Aliens and one count of Conspiracy to Commit Tax Fraud. U. S. District Court Judge Stephen M. McNamee sentenced each defendant to 13 months imprisonment. As part of the plea agreement, the **TENORIO-QUINTERO** brothers, along with 17 managers, also agreed to pay a \$1.9 million fine and pay all back taxes owed to the government.

At sentencing, Judge McNamee told the defendants that were "successful, but not for the right reasons" and that they "bring shame upon their families and countrymen".

On September 17, 1997, Immigration and Naturalization Service (INS) agents executed criminal search warrants at 15 Filiberto's Restaurant outlets in the Phoenix Metropolitan area. As a result of those search warrants, the defendants were arrested on September 22, 1997. They were released on bond, following their initial appearance in federal district court. A federal grand jury in Phoenix, Arizona, returned an indictment against the defendants on October 9, 1997.

"It isn't just the unauthorized worker who is subject to the immigration laws" said U.S. Attorney José de Jesus Rivera. "Businesses are required to comply with U.S. employment laws, which include the hiring of

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authorized, documented workers. This case should serve as a warning to businesses that we intend to vigorously prosecute those who engage in a pattern and practice of hiring undocumented workers.”

FILIBERTO, AURELIO, FRANCISCO, and REYNALDO TENORIO-QUINTERO admitted that from January 1994, through September 1997, they conspired together to hire and/or continue to employ undocumented aliens at the “Filiberto’s” restaurants and then failed to pay income and employment taxes for those employees. The “Filiberto’s” restaurants are a franchise type chain and were based on verbal franchise type agreements. The defendants (the four brothers) also admit that they employed an accountant whom they directed to under-report the gross sales, expenses, and net income earned through their control of “Filiberto’s”. Individual operators of the “Filiberto’s” franchises also made payments to the defendants that were not reported. In 1995 and 1996, **FILIBERTO, REYNALDO, FRANCISCO, and AURELIO** filed false individual tax returns with a total tax loss to the United States of approximately \$250,000 per person. The defendants also admit that they hired and employed undocumented aliens in the “Filiberto’s” restaurants, whom they knew were residing in the United States illegally.

The investigation preceding the indictment was conducted by the Immigration and Naturalization Service, the Internal Revenue Service, Criminal Investigation Division, and the Department of Justice’s Tax Division. The prosecution was handled by Lisa E. Jennis, Assistant United States Attorney, District of Arizona and Edward E. Groves, Department of Justice Tax Division, Washington, DC.

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